



United States  
Department of  
Agriculture

Consolidated  
Farm Service  
Agency

P.O. Box 2415  
Washington, D.C.  
20013-2415

FmHA AN No. 3182 (1910-A)  
July 28, 1995

TO: Acting State Directors, District Directors,  
and County Supervisors  
Rural Economic and  
Community Development

ATTN: Farmer Programs Chiefs

FROM: Lou Anne Kling *Lou Anne Kling 7-28-95*  
Acting Deputy Administrator for  
Farm Credit Programs

SUBJECT: Farm Credit Programs Loan Allocations

Purpose/Intended Outcome:

The purpose of this Administrative Notice (AN) is to provide guidance in the processing of applications for Farm Ownership (FO) and Operating (OL) loans when adequate funding is not available for obligation.

Comparison with Previous AN:

No previous ANs have been issued on this subject.

Implementation Responsibilities:

Funding shortfalls are occurring in most Consolidated Farm Service Agency (CFSA) Farm Credit programs. Backlogs of unfunded applications are expected to be carried over into Fiscal Year (FY) 1996. Due to this shortage of funds, applicants should be counseled at the outset of application processing regarding the availability of loan funds. Section 1910.3(a) of FmHA Instruction 1910-A emphasizes that the filing of written applications will be encouraged even though loan funds currently may not be available. This policy has not changed; nevertheless, false expectations should not be communicated regarding availability of loan funds. Applicants should be advised not to make commitments based upon loan approval when funds are not adequate for obligation.

All applications for CFSA Farm Credit loans will continue to be accepted and processed through loan approval, in accordance with FmHA Instruction 1910-A. Loan approval officials should assist applicants in their efforts to obtain financing from other sources. Test for credit should not be limited to 100 percent financing by a conventional lender. As noted in section 1941.6 of FmHA Instruction 1941-A and section 1943.6 of FmHA Instruction 1943-A, participation by another lender of a percentage of an applicant's needs, with or without a CFSA guaranteed loan, should be considered by loan approval officials as a means of supplementing CFSA loan funds.

EXPIRATION DATE: July 31, 1996

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1910-A

As required by section 1910.6(g)(2) of FmHA Instruction 1910-A, applicants will continue to be advised that applications must be updated with current information if more than 90 days have lapsed from loan approval to closing. A change in application situation may affect eligibility status, and ability to obtain CFSA financing.

If you have any questions, please contact the Loan Making Division on (202) 720-1632.